





# University Oaks I and II

## Agreed-Upon Procedures

For the Period January 1, 2000 Through February 28, 2001

Procedures	Findings
<p><u>For the period January 1, 2000 through February 28, 2001</u>                      Compile from records a listing of security deposits received by month by residents.</p> <p>Trace security deposit receipts to proper posting in the accounts receivable subsidiary ledger.</p> <p>Trace security deposits received to deposits in the bank account.</p> <p>Investigate all discrepancies in the above comparison.</p>	<p>Thirty-five transactions were recorded for this time period. No discrepancies were noted in the above procedures.</p>
<p><u>For the period January 1, 2000 through February 28, 2001</u>                      Compile from records a listing of security deposits refunded by month by resident.</p> <p>Trace refunds of security deposits to proper posting in the accounts receivable subsidiary ledger.</p> <p>Trace refunds of security deposits to disbursements from the bank account.</p> <p>Investigate all discrepancies in the above comparison.</p>	<p>This procedure could not be performed because security deposit refunds were not posted to individual accounts receivable records.</p>
<p><u>For the period January 1, 2000 through February 28, 2001</u>                      Compile from records a listing of background check payments received from applicants.</p> <p>Trace payments for background checks to deposits in the bank account.</p> <p>Investigate all discrepancies in the above comparison.</p>	<p>Fourteen payments for background checks totaling \$118 could not be traced to deposit in the bank account.</p>

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**For the Period January 1, 2000 Through February 28, 2001**

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management and the Board of the Housing Authority and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

*Allen, Green & Company, LLP*

ALLEN, GREEN & COMPANY, LLP

Metairie, Louisiana

February 24, 2002

## University Sales I and II

## Management's Response

**HOUSING AUTHORITY OF THE CITY OF SHREVEPORT  
(AUTHORITY)  
2500 LINE AVENUE  
SHREVEPORT, LOUISIANA 71104**

**FEBRUARY 2002**

**INDEPENDENT ACCOUNTANT'S REPORT  
ON  
UNIVERSITY OAKS I & II APARTMENTS  
FINANCIAL PROCEDURES  
FOR PERIOD**

**JANUARY 1, 2000 - FEBRUARY 28, 2001**

**CORRECTIVE ACTION/IMPROVEMENT PLAN**

## **BOARD OF COMMISSIONERS**

<b>Bob Owens</b>	<b>Chairperson</b>
<b>Harold Kelly</b>	<b>Vice Chairperson</b>
<b>Rev. Dr. Murphy L. Hunt</b>	<b>Member</b>
<b>David Watkins</b>	<b>Member</b>
<b>Mingy Ray</b>	<b>Member</b>
<b>Donzella H. Kimble</b>	<b>Executive Director</b>
<b>Hobbie R. Brown</b>	<b>Assistant Executive Director</b>
<b>Robert U. Goodman</b>	<b>Legal Counsel</b>

**Prepared by: Hobbie R. Brown, Assistant Executive Director**

## **Executive Summary**

The referenced audit was requested and conducted on behalf of the Authority which stemmed from a prospective resident's complaint that a \$150.00 cash security deposit was forfeited and not returned because of a decision not to move into the unit. The \$150.00 received by University Oaks I & II Apartments (U.O. I & II) management staff conveniently disappeared and then reappeared. Such action alerted the Authority's executive staff to a strong suspicion that the possibility of misappropriation was in effect relative to the collection of various payments from the residents.

Prior to the disclosure of the audit report as prepared by Allen, Green & Company LLC, Certified Public Accountants, P.C. Reg. 6075, 2414 Farrand Street, Monroe, Louisiana 71201-6075, the Authority implemented corrective measures to upgrade and strengthen its resident accounting and management practices at U.O. I & II.

Administrative measures were implemented previously to strengthen the financial management system policies and procedures resulting from concerns and findings in the FY 2000's audit report. The measures were designed and implemented to minimize the potential threat of fraud and increase the effectiveness of resident accounting practices. The Authority implemented a "NO CASH" policy numerous years ago. The only acceptable methods of payment are by checks or money orders. Employees are strongly encouraged not to complete blank checks or money orders for residents.

The two (2) employees that held the management positions (manager & assistant manager) during the time of the requested audit period have since resigned.

U.O. I & II resident accounting records have been consolidated and incorporated into the Authority's Central Processing Division (CPD) all transactions are maintained and monitored in the CPD.

The money orders retrieved totaling \$218.00 during the executive staff's review were copied for record and deposited in the Authority's bank account.

The new management staff is being trained to operate and administer governing policies and procedures relative to the management and maintenance operations as defined by the Authority.



**TASK:** RENTAL RECEIPTS (Rental payment of \$240.00 received could not be traced to posting in the account receivable ledger or to deposit in bank account).

**GOAL:** Eliminate the risk and threat for misappropriation.

**OBJECTIVE:** Strengthen Resident Accounting Practices and Procedures through check and balance process.

**PERSON RESPONSIBLE:** Donnette H. Kiable

ACTION STEP STRATEGIES (TASK)	PERSON(S) ASSIGNED ACTION TAKEN	TIMING	
		START	STOP
Directive was issued to U.D. I & II Manager to implement policy of no rental collection on site except for new move-ins.	Donnette H. Kiable	Feb. 2001	On-going
Rent statements are prepared and mailed by the Authority's Central Processing Department (CPD).	M. Whitaker	Feb. 2001	On-going
Rental payment and other charges (i.e. late fees, maintenance charges, etc.) are mailed directly to CPD.	M. Whitaker	Feb. 2001	On-going
Payment deposits are made by the CPD. Copies of deposits are forwarded to the Accounting Department.	M. Whitaker	Feb. 2001	On-going
Rental register is provided to U.D. I & II for payment and non-payment records to show continued eligibility or non-eligibility.	M. Whitaker	Feb. 2001	On-going
Monitor tasks for effectiveness and modify as needed.	Robbie E. Brown	Feb. 2001	On-going

**TASK:** BACKGROUND CHECK PAYMENT (background checks payments totaling \$110.00 could not be traced to deposit in bank).

**GOAL:** Make payments for Background Check through the Authority's Accounting Department.

**OBJECTIVE:** Implement measures to enforce the Authority's policy on the cost of background checks being absorbed by the Authority.

**PERSON RESPONSIBLE:** Dorcasia M. Kishle

ACTION STEP STRATEGIES (TASK)	PERSON(S) ASSIGNED ACTION TASKS	TIMING	
		START	STOP
Enforce the Authority's application testing policy by sequential numbering of each which includes date and time stamping upon processing.	Robbie R. Brown	In place	On-going
Terminated background checks request by U.S. I & II Management staff.	Robbie R. Brown	In place	On-going
Forward a copy of the applicant's application to the CFD for background check.	Loretta Inby	In place	On-going
CFD to notify U.S. I & II Manager of applicant's eligibility by providing a notice of eligibility.	M. Whitaker	In place	On-going
Monitor tasks for effectiveness and modify as needed.	Robbie R. Brown	In place	On-going

**TASK:** SECURITY DEPOSIT (Tracking Security Deposit from time of receipt to final disbursement from bank account).

**GOAL:** Maintain accountability of Resident's Security Deposit.

**OBJECTIVE:** Implement accounting measures that will trace a Security Deposit from time of receipt from resident to disbursement from bank account.

**PERSON RESPONSIBLE:** Bonnette M. Kieble

ACTION STEP STRATEGIES (TASK)	PERSON(S) ASSIGNED ACTION TASK	TARGET	
		START	STOP
Implemented a policy where only security deposits and pro-rata rental payments are paid on site at the time that unit keys are issued to prospective resident.	Bonnette M. Kieble	In place	On-going
Enforce the policy where payments receipts are issued in sequential order for payments received on site.	Robbie E. Brown	In place	On-going
All checks and money orders received for new move-ins are forwarded to CFO for individual's account posting and depositing. Copies of each transaction are forwarded to the Authority's Accounting Department.	Lonette Irby	In place	On-going
All financial transactions are transposed into the Authority's financial management system by the Accounting Department.	Maurice Greenhaw	In place	On-going
U.C.I & II Resident Accounting has been incorporated into the Authority's web.	M. Whitaker	In place	On-going
Monitor tasks for effectiveness and modify as needed.	Robbie E. Brown	In place	On-going